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Judge: William L. Holt
Chapter 11

IN THE U.S. BANKRUPTCY COURT FOR THE
EASTERN DISTRICT OF WASHINGTON

In re

EASTERDAY RANCHES, INC.,

Debtor.

Lead Case No.: 21-00141-WLH11

In re

EASTERDAY FARMS, a Washington General
Partnership

Debtor.

Jointly administered with:
Case No. 21-00176-WLH11

STIPULATION BETWEEN HUNTINGTON
NATIONAL BANK AND DEBTORS
REJECTING CERTAIN LEASES AND
FIXING REJECTION CLAIM

COMES NOW The Huntington National Bank (“HNB”), which is the successor in interest by merger with TCF National Bank (“TCFNB”) and of which CE Capital, LLC (“CEC”) is now a subsidiary, and Easterday Ranches, Inc. (“Ranches”) and Easterday Farms (“Farms”) (Ranches and Farms are hereinafter referred to collectively as “Debtors” and each a “Debtor”) through the undersigned counsel respectfully present this stipulation regarding the rejection of certain Leases, as defined herein, and fixing the claims of HNB based on the rejection of said Leases.

This Motion is supported by the facts and records herein and the Declaration of Gregory A. Payer in Support of Motion for Relief from Stay and all attachments there to (“*Payer Decl.*”) previously filed on July 7, 2021 as Dkt. No. 886 and the stipulated facts contained herein.

MOTION TO APPROVE STIPULATION REGARDING
REJECTION OF CERTAIN LEASES AND FIXING
REJECTION CLAIM – 1

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I. STIPULATION

1. Debtor Ranches commenced its bankruptcy by filing voluntary bankruptcy petition on February 1, 2021.
2. Debtor Farms commenced its bankruptcy by filing a voluntary bankruptcy petition on February 8, 2021.
3. The Debtors' cases were ordered to be jointly administered under the Ranches case by order entered in Ranches' case at Dkt. 78 and Farms at Dkt. 5.
4. Debtors entered into four separate pre-petition leases with HNB's predecessors in interest for the following equipment (collectively "Equipment"):
 - a. 2021 Wilson PSDCL-402 53' x 102" Quad Axle Livestock Trailer VIN #1W16534A8M5559553 together with all attachments and accessories thereto;
 - b. 2021 Wilson PSDCL-402 53' x 102" Quad Axle Livestock Trailer VIN #1W16534AXM5559554 together with all attachments and accessories thereto;
 - c. Trinity Eagle Bridge Belt Trailer VIN #1T9SC5344LB656023; and
 - d. 2020 Traileze 55 ton Lowboy Wide Side Trailer VIN #1DADLD033LM022971 together with a 2020 Traileze Flip Axle TE1FA VIN #1DAYYGA13LM022972
5. HNB asserts a claim in the amount of \$233,219.03 based on the leases between Ranches and HNB's predecessor in interest.
6. HNB asserts a claim in the amount of \$179,480.37 based on the leases between Farms and HNB's predecessor in interest.
7. HNB obtained relief from the Automatic Stay to recover and liquidate the Equipment by order of this court entered August 9, 2021 at Dkt. 974.

MOTION TO APPROVE STIPULATION REGARDING
REJECTION OF CERTAIN LEASES AND FIXING
REJECTION CLAIM – 2

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- 1 8. HNB has liquidated the Equipment, and applied the net sales proceeds to the applicable
2 Leases underlying the asserted claims as follows:
3 a. Ranches Proceeds - \$179,539.80
4 b. Farms Proceeds - \$125,000.00
5
6 9. Based on the application of the net proceeds HNB asserts its rejection claim for the
7 Leases as follows:
8 a. Ranch Net Claim - \$53,679.23
9 b. Farms Net Claim - \$54,480.37
10
11 10. The Debtors have not confirmed a plan of reorganization or otherwise rejected the
12 Leases.
13
14 11. To avoid the further need for litigation, Debtors and HNB seek approval of the formal
15 rejection of the Leases under 11 U.S.C. §365(a) and for approval of this court fixing
16 HNB's rejection claims in both the Ranches and Farms cases based on the application
of the sales proceeds.

17 II. MOTION TO APPROVE STIPULATION

18 Debtors-in-possession are authorized to reject unexpired leases, subject to court approval.
19 11 U.S.C. § 365(a). through this motion, Debtors are seeking court approval to reject the Leases.
20 Because HNB has already obtained relief from the stay, no further notice to approve the rejection
21 of the Leases should be required.
22

23 The rejection of a lease constitutes a breach of the lease as of the date of the petition. 11
24 U.S.C. §363(g)(1). The amount HNB and Debtors seek approval of would be the amount due, after
25 mitigation of damages, under the Leases based on a breach of said Leases as of the date each
26 Debtor commenced its Chapter 11 proceeding.

MOTION TO APPROVE STIPULATION REGARDING
REJECTION OF CERTAIN LEASES AND FIXING
REJECTION CLAIM – 3

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Respectfully submitted the December 28, 2021.

/s/ Michael M. Sperry
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MOTION TO APPROVE STIPULATION REGARDING
REJECTION OF CERTAIN LEASES AND FIXING
REJECTION CLAIM – 4

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